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Carol X Weakley 07/27/2006 01:07:44 PM From DB/Inbox: Carol X Weakley

Cable  
Text:

UNCLAS TEL AVIV 02923

SIPDIS  
CXTelA:

ACTION: POL  
INFO: RES ECON DCM DAO IPSC AMB AID RSO ADM CONS PD  
IMO

DISSEMINATION: POL  
CHARGE: PROG

APPROVED: POL:NOLSEN  
DRAFTED: POL:MDPEARLSTEIN  
CLEARED: POL:BBERNSTEIN-ZABZA, POL:JMILLER, CONGEN:MMELLINGER

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PP RUEHC RUEHXK RUEHROV  
DE RUEHTV #2923/01 2081006  
ZNR UUUUU ZZH  
P 271006Z JUL 06  
FM AMEMBASSY TEL AVIV  
TO RUEHC/SECSTATE WASHDC PRIORITY 5213  
INFO RUEHXK/ARAB ISRAELI COLLECTIVE PRIORITY  
RUEHROV/AMEMBASSY VATICAN PRIORITY

UNCLAS SECTION 01 OF 02 TEL AVIV 002923

SIPDIS

E.O. 12958: N/A  
TAGS: PGOV KIRF PHUM IL  
SUBJECT: ISRAEL CLAIMS IT IS SEEKING CREATIVE SOLUTIONS TO  
NEGOTIATIONS WITH THE VATICAN

REF: TEL AVIV 06847

¶1. (SBU) SUMMARY: MFA Division Director for Religious Affairs Zvi Tal told Staffdel Lara Alameh July 9 that the GOI is considering creative options to advance GOI-Vatican negotiations for a concordat on fiscal and legal matters, but Tal did not elaborate on what the creative options might entail. Alameh highlighted concerns about commercial development encroaching on the Daughters of the Charity Hospice in Jerusalem. Tal noted that the project is now wholly private and, following the conclusion of a public zoning process, the municipality had lost its ability to intervene. Tal also promised to look into restrictions on access to Bethlehem for East Jerusalem Palestinians. END SUMMARY.

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STATUS OF GOI-VATICAN NEGOTIATIONS  
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¶2. (SBU) MFA Division Director for Religious Affairs Zvi Tal briefed Staffdel Alameh and Poloff on the status of GOI negotiations with the Vatican for a concordat on fiscal and legal matters. Tal explained that GOI and Vatican negotiators met in mid-May, but that Foreign Minister Tzipi Livni recently told her Vatican counterpart that each side should be "more creative" in seeking a solution. Tal did not provide any details about the creative ideas that the GOI claims to be considering, but noted that the directors general from the MFA and Finance ministries are scheduled to meet in mid-July to coordinate approaches aimed at reaching a breakthrough. Tal said that such a meeting could set the stage for a bilateral meeting by the end of July. In the absence of formal bilateral meetings, according to Tal, GOI-Vatican working groups continue to discuss technical matters.

**¶3.** (SBU) Tal also discussed his recent meeting with the Papal Nuncio, Archbishop Antonio Franco, during which Tal said he described the problem of exempting Catholic institutions from a tax that would apply to all other religious bodies and institutions. Tal said that he related to the Nuncio that Jewish and other religious groups would complain about a tax benefit exclusive to the Catholic Church and that domestic political repercussions would follow for the Israeli government. Tal said that he told the Nuncio that taxes must be applied in a non-discriminatory manner and that an addendum to an agreement with the Vatican could assure the non-discriminatory collection of taxes.

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DEVELOPMENT SURROUNDING THE DAUGHTERS  
OF THE CHARITY HOSPICE IN JERUSALEM  
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**¶4.** (SBU) Alameh highlighted her concern about commercial development that is encroaching upon the Daughters of the Charity Hospice in Jerusalem. Tal said that the municipality had been a partner in the development project when it first commenced. Approximately ten years ago, however, the development project became wholly private, which is why the government cannot intervene, he claimed. Alameh mentioned specific lease provisions that protected the hospice (e.g. access to natural light), but Tal asserted that there had been a public zoning process that allowed for public input on development at the site and he surmised that the nuns who oversee the hospice did not participate in the process. Alameh stressed that the problems the hospice faces illustrate the necessity for an agreement with the Vatican. If such an agreement were in place, Alameh explained, then the Nuncio could handle such legal and technical affairs.

**¶5.** (SBU) The hospice attorney, Naiem Khoury, informed ConGen Poloff July 12 that the hospice and the construction company developing the site next door had reached a tentative agreement, whereby the access road serving the hospice will remain under its sole control in return for the hospice dropping its objections to the height of the new buildings. Khoury expressed concern, however, over the planned location for above-ground gas tanks next to the access road, which may impede vehicular traffic. End note.)

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RESTRICTIONS EAST JERUSALEM PALESTINIANS'  
TRAVEL TO BETHLEHEM  
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**¶6.** (SBU) Alameh also questioned Tal about recently-introduced restrictions that made it more difficult for residents of East Jerusalem to get to Bethlehem. Tal said that he is not familiar with the details, but he agreed that the situation was "odd." He promised Alameh that he would obtain additional details on why the changes were implemented.

**¶7.** (U) This cable was cleared by staffdel.

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